

U.S. House of Representatives  
Committee on Agriculture  
Subcommittee on Nutrition, Oversight and Department of Operations

**July 12, 2021**

Re: Hearing regarding "Examining the SNAP Benefits Cliff"

Provided by: Al G. Gourrier, Ph.D.  
University of Baltimore, Assistant Professor

***Oral Summary Statement***

Good Afternoon, Ladies and Gentlemen of the Committee. My name is Al Gourrier and I am an Assistant Professor of Public Finance at the University of Baltimore and I am a Faculty Fellow with the Schaefer Center for Public Policy in Baltimore. In 2018, in my capacity as Professor at the University and Faculty Fellow with the Schaefer Center we began to explore existing research in terms of the Benefits Cliff and its effects on the working-class population across the country. At that point, a number of other states, such as Washington, Ohio, Vermont, Massachusetts, and New Jersey to name a few, had recently produced reports highlighting the challenges of the Benefits Cliff on their residents, as well as addressing some of the measures their perspective state legislatures were exploring to address the problem.

We commenced on a two-year research project to better understand the impact of cliff effects and the Benefit Cliff phenomenon on Maryland residents. At the time, Maryland's Governor Larry Hogan's Two-Generation (2Gen) Family Economic Security Commission and Pilot Programs, which was charged with the responsibility of exploring multigenerational poverty, and designed to improve the economic well-being of Maryland Families, was producing its final report that set some of the ground work for the need of a more comprehensive Benefits Cliff study. Using the basis of the United Way's universally accepted and highly respected biennial produced ALICE Report, which stands for Asset Limited Income Constrained Employed, highlighted some of the overall economic challenges and socioeconomic conditions of working family throughout the state. Within the ALICE Report we were able to identify a standard Household Survival Budget, which establishes a minimal basic needs budget adjusted both geographically and with inflation. From there we were able to create a three-family static model consisting of a single individual household, a single parent with two children household, and a two-parent with two children household. We used an inventory of the traditional state supported social-service programs of which the SNPA benefit has the largest share of participation among the states social programs.

The results of our study indicate that two-parent households are penalized by the Benefits Cliff – even if they received housing assistance (which is oftentimes unlikely) and the maximum health insurance tax credit. Two-parent families with one-person working full time at the minimum wage do not have enough resources to cover their basic survival budget expenses.



When both parents work minimum wage jobs, the two-adult two-children household is only marginally better off. Although the household earns an extra income when the second adult works full-time, the family only experiences a marginal increase in net resources because as the earned income increases, the eligibility for benefits such as SNAP decreases.

However, our two-parent families were not the only group negatively impacted by the Benefits Cliff. Even with recent increases in the minimum wage from \$10.10 to \$11.00 in Maryland in January of 2020, single adults (often referred to as ABAWD) and single parents with two-children could only meet their basic survival budget needs if they received housing assistance and health insurance tax credits.

In analyzing our three constructed family types, we found major disincentives built into the social service structures as they currently exist, which prevent the pursuit of upward mobility through work for a large number of American families. The challenges presented by the cliff effect and the lack of appropriate and/or accommodating eligibility requirements, can prove to serve as a disincentive to many working families at or near the Federal Poverty Line.

In our state, the Supplemental Nutrition Assistance Program (SNAP) provides benefits to more than 884,000 residents or 14.7% of the state population in 2018. At the time of our study, more than one in three working households in the state could not afford basic household expenses. Minimum wage jobs, even when combined with government assistance such as SNAP are often insufficient to meet their basic survival needs. Female-headed households are over-represented among the state's impoverished. The largest share of households with incomes below the Federal Poverty Line are African-Americans at 43%, who only make up 30% of the state's population, and make up 52% of SNAP participants, are especially susceptible to the Benefits Cliff given their disproportionate representation.

Over the last year, since the production of our study, the country and our economy have experienced an unprecedented level of social and economic challenges. The surge in unemployment insurance claims, the demand on small businesses, the disruption to our education system and the social impact on struggling families is unparalleled. However, our pre-pandemic data represents problematic results and the long-standing impact created by the Benefits Cliff phenomenon. Although, the current economic data represents a very unique paradox as a result of the short-term macro-governmental infusion with a pre-determined expiration. It is my opinion that post-pandemic, the Benefits Cliff challenges present pre-pandemic will still remain consistent among working class families.

#### ***Benefits Cliff Phenomenon:***

The benefits cliff mostly impacts individuals and households at or near the poverty level who are eligible for – but may not be receiving – multiple government programs. Recent research indicates that families with children often require an income up to three-and-a-half times the Federal Poverty Level in order to adequately cover the basic needs and living expenses for a

family. These households are often called the working poor, referring to the fact that people in these households have jobs but still remain at or near the poverty level. They are also known as ALICE® households or families – they are Asset Limited, Income Constrained, Employed. As discussed further below, ALICE is based on cost of living in a specific jurisdiction, and households with incomes under an ALICE Household Survival Budget are working but unable to meet their basic needs.

For these individuals and families, government programs can be essential for daily survival. However, many of these programs are designed so that additional earnings, usually in the form of wages or salaries, result in a decrease in benefits. This loss of benefits can lead to individuals making decisions that are not always best for the family or society, resulting in the Benefit Cliff phenomenon.

***Principal Analytical Findings:***

- In Maryland, 9.4 percent of the population lives on incomes below 100 percent of the Federal Poverty Level (FPL) and another 12.3 percent have incomes below 125 percent of the FPL.
- While a majority of the state's overall population is White, the largest share of those with incomes below FPL are African-American. There are an estimated 236,497 state residents who are Black or African-American with incomes below FPL.
- Female-headed households are over-represented among impoverished and ALICE households.
- Two-parent households are penalized by the benefits cliff – even if they receive housing assistance (unlikely) and the maximum health insurance tax credit, two-parent families with one-person working full time at the minimum wage do not have enough resources to cover their basic survival budget expenses.
- Even with the increase in the minimum wage to \$11.00 per hour on January 1, 2020, single adults and single parents with two children could only meet their basic survival budget needs if they received housing assistance and health insurance tax credits.
- When both parents work minimum wage jobs, the two-adult, two-child household is only marginally better off. The household earns an extra \$1,760 when the second adult works full-time, but the family actually only experiences an increase in net resources of \$320. This is because as earned income increases, eligibility for benefits – specifically for food stamps and medical assistance for the adults – decreases.

***Al G. Gourrier, Ph.D., MBA***

[www.algourrier.com](http://www.algourrier.com)

University of Baltimore

Email: [agourrier@ubalt.edu](mailto:agourrier@ubalt.edu)



## Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)\* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: Nutrition, Oversight, and Department Operations

Hearing Date: 07/12/2021

Hearing Title :

"Examining the SNAP Benefit Cliff"

Witness Name: Al G. Gourrier

Position/Title: Assistant Professor

Witness Type: ☐ Governmental ☒ Non-governmental

Are you representing yourself or an organization? ☐ Self ☒ Organization

If you are representing an organization, please list what entity or entities you are representing:

University of Baltimore

### FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

NA

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

NA

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

NA

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

- ☒ I have attached a written statement of proposed testimony.
- ☒ I have attached my curriculum vitae or biography.

\* Rule XI, clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.



## **AL G. GOURRIER, PH.D., MBA**

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### **CONTACT INFORMATION**

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(702) 595-1865 (Mobile)  
E-mail: agourrier@ubalt.edu

### **EDUCATION**

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University of Nevada Las Vegas	Ph.D. in Public Affairs Greenspun College of Urban Affairs
University of Nevada Las Vegas	Masters of Business Administration
University of Nevada Las Vegas	Bachelor of Science in Business Finance
Xavier University of Louisiana	Undergraduate studies in Business Finance

### **Certifications**

University of Nevada Las Vegas	Graduate Research Certificate Program
ABA Stonier at Georgetown University	Graduate School of Banking

### **EMPLOYMENT**

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09/18 to Present	<u>Schaefer Center for Public Policy, Baltimore, MD</u> Faculty Fellow. As a Faculty Fellow, I server as Content Specialist and Principal Researcher on contracted reports and research projects.
01/16 to Present	<u>University of Baltimore, Baltimore, MD (UB)</u> <i>Assistant Professor.</i> Public Finance, Fiscal Administration, Public Administration & Management
01/12 to 12/17	<u>Financial Management Solutions, Inc, Las Vegas, Nevada</u> <i>President &amp; CEO.</i> Founder and Chief Executive of a financial consulting company as well as an equity holding company for the principal's equity investments.
11/05 to 01/12	<u>1<sup>st</sup> Commerce Bank, North Las Vegas, Nevada</u> <i>President, Founder &amp; Executive Board Member.</i> Founding and Organizing President of 1 <sup>st</sup> Commerce Bank located in North Las Vegas. As founding and organizing President, I developed the vision and mission of the bank, applied and received regulatory approval, and subscribed/capitalized the bank. Upon opening on October 18, 2006, I ran the day-to-day operations of

the bank including Lending, Operations, ALCO, Daily Investments and all FDIC and State Audits, Board of Directors and SEC call reporting.

05/00 to 10/05

Desert Community Bank, Las Vegas, Nevada

*Chief Credit Officer, EVP.* As Chief Credit Officer, I managed commercial lenders, residential lenders, consumer lenders, documentation personnel, loan assistants and support staff. Responsible for the overall credit quality and oversaw the bank's entire loan portfolio. Additional responsibilities included Board of Directors, FDIC and Federal Reserve reporting, audit coordination and responses, day-to-day operations and the profitability of the bank. Accomplishments during my tenure was the establishment of the bank's credit culture, lending procedures, and underwriting criteria. During my leadership, the bank reached its first profitable year in 2002 and nearly doubled that in 2003. Received recognition from the FDIC for turning around an under-achieving financial institution and improving its overall portfolio quality to the highest level possible (CAMEL Rating).

Desert Community Bank, Las Vegas, Nevada

*Senior Credit Officer, SVP.* As Senior Credit Officer, I managed the largest portfolio in the bank (May 2000 to July 2001). My responsibilities included both soliciting and underwriting large and complex commercial and real estate credits. Also, as Senior Credit Officer, I was responsible for compiling monthly and quarterly reports, filled in as acting CCO when needed, and mentored junior lending officers.

06/93 to 05/00

PriMerit Bank/Norwest Bank/Wells Fargo Bank, Las Vegas, Nevada,  
*Relationship Manager, AVP.* As a Relationship Manager/ Commercial Loan Officer, I was responsible for soliciting new credit and non-credit relationships for the bank, underwriting new credit, developing and managing existing credit portfolio and sell/cross-sell additional products in to my relationships. Prior to taking over my own portfolio in 1995, I worked as an Associate Loan Officer for the bank for 18-months and briefly as a cash management specialist prior to that, also with the bank.

## **SCHOLARSHIP**

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### ***Peer-Reviewed Journal Publications***

- 2021 Gourrier, A. "Banking the Black Community: An analysis of banking among Baltimore's predominantly Black communities" *Public Integrity*, 1-19. <https://doi.org/10.1080/10999922.2021.1932329>
- 2021 Gourrier, A.; Kellogg, L.; Bernick, E.; Brekkan, K.C. "A Seat at the Table: Minority Representation and County Governing Boards". *Journal of Public Management and Social Policy*. Publication Accepted.
- 2019 Brekkan, K.C.; Gourrier, A., Bernick, E., Kellogg, L. "The Peoples College: A Review of Local Community College Boards Through the Lens of Descriptive Representation". *Community College Journal of Research and Practice*. DOI: 10.1080/10668926.2019.1640142.



- 2017 Kellogg, L.; Gourrier, A.; Bernick, E.; Brekkan. "County Governing Boards: Where Are All the Women?" *Politics, Groups and Identifies*, 7(1), 39-51.
- 2014 Bernick, E.; Birds, J.; Brekkan, K.C.; Gourrier, A.; Kellogg, L. "Explaining County Government Fiscal Transparency". *State and Local Government Review*, 46(3) 173-183

### **Academic and Sponsored Reports**

- 2020 Gourrier, A., Ficenec, S. "The Impact of the Benefits Cliff: A study on the potential loss of public benefits to working families resulting from small increases in earned income." Study produced by the Schaefer Center of Public Policy and financed by the United Way of Maryland.

### **ACADEMIC CONFERENCE PRESENTATIONS**

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- 2020 Gourrier, A.; Best, W.; Dunham-Howie, J. "Creating A "Master Community Development Plan for Black & Latino Neighborhoods-Targeting Increased Jobs & Affordable Housing". Moderated and presented to the National Minority Community Reinvestment Cooperative's 2020 Black and Latino Economic Summit. (Virtual Conference)
- 2020 Gourrier, A. "Banking Deserts in the City of Baltimore." Conference paper presented to the 19<sup>th</sup> Social Equity Leadership Conference in Minneapolis, MN (presentation canceled due to COVID-19)
- 2020 Gourrier, A. "Banking the Black Community: An analysis of banking among Baltimore's predominately Black communities." Conference paper presented to the 78<sup>th</sup> American Society for Public Administration in Anaheim, California (presentation canceled due to COVID-19).
- 2019 Gourrier, A. "Exploring the Effects of Transparency on County Governments in the United States". Conference paper presented to the 6th Global Conference on Transparency Research in Rio De Janeiro, Brazil.
- 2018 Gourrier, A.; Kellogg, L. "Exploring Minority Representation of County Governing Boards". Conference paper presented to the 48th Annual Conference of the Urban Affairs Association in Minneapolis, MN.
- 2017 Gourrier, A. "Budget Transparency among Counties in the United States". Conference paper presented to the 5th Global Conference on Transparency Research in Limerick, Ireland.
- 2017 Gourrier, A. "A Look at Funding Allocations Among Chicago's MSA Entitlement Communities". Conference paper presented to the 47th Annual Conference of the Urban Affairs Association in Minneapolis, MN.
- 2017 Gourrier, A. "Women and County Government". Conference paper presented to the American Society for Public Administration's 78th Annual Conference in Atlanta, GA.



- 2015 Gourrier, A. "The Classification of Metropolitan Communities as a Function of Population and Job Shifts". Presented to the 73<sup>rd</sup> Annual Conference of the Midwest Political Science Association in Chicago, IL
- 2015 Bernick, E.; Gourrier, A.; Kellogg, L. "County Governing Boards: Where Are All the Women?" Conference paper presented to the Annual Conference of the Western Political Science Association in Las Vegas, NV
- 2014 Bernick, E.; Birds, J.; Gourrier, A.; Kellogg, L. "Explaining Local Government Budgetary Practices in an Age of E-Government". Conference paper presented to the 72<sup>nd</sup> Annual Conference of the Midwest Political Science Association in Chicago, IL.
- 2014 Gourrier, A. "Exploring the Resiliency of Las Vegas". Conference paper presented to the 44th Annual Conference of the Urban Affairs Association in San Antonio, TX.
- 2014 Gourrier, A. "The Changing Composition of Urban and Suburban Demographics, and Its Economic Impact on Tax Policy". Conference paper presented to the 2014 Southern Political Science Association in New Orleans, LA.
- 2013 Gourrier, A. "Economic Impact of Urban Sprawl: The Demarcation of Core Urban City Jobs and The Development of Suburban Economics". Conference paper presented to the 43rd Annual Conference of the Urban Affairs Association in San Francisco, CA.

## **CURRENT ACTIVITIES and SERVICE**

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### *Activities*

2021 - Current	Fulbright Specialist
2019 - Current	University of Baltimore's Academic Policy Committee
2018 - Current	University of Baltimore's Strategic Plan - Civic Engagement Committee
2020 - 2021	Congressional Black Caucus Foundation Review Committee
2018 - 2020	Urban Affairs Association Conference Planning Committee

### *Community and Board Service*

2020 – Current	Upton Westside Community Development Corporation (CDC)
2019 – Current	University of Maryland Medical Center Community Advisory Committee
2006 - 2012	Make A Wish of Southern Nevada Executive Board Member
2006 - 2012	1 <sup>st</sup> Commerce Bank Executive Board Member
2008 - 2011	Floyd Mayweather Jr. Foundation Executive Board Member
2007 - 2010	Nevada State Development Corporation Advisory Board Member
2006 - 2009	Urban Financial Services Coalition National Board Member
2006 - 2008	N. Las Vegas Chamber of Commerce Govt. Affairs Sub-Committee Chair

## **AWARDS and HONORS**

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### *Awards*

2018	NASPAA Social Equity Award
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2015	Distinguished Men of Nevada
2009	Southern Nevada Top 10 SBA Lender – LV Business Press
2008	Nevada Community Service Award – U.S. Small Business Administration
2007	In Business' Las Vegas Top 40 under 40
2007	Las Vegas Young Professionals "Mover and Shaker" Award Recipient
2006	African American Hero – Las Vegas City Council
2005	Southern Nevada Top 20 SBA Lender - LV Business Press
2004	Banker of the Year – The Devante Group

## **PROFESSIONAL AFFILIATIONS**

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Association for Budgeting and Financial Management  
 Urban Affairs Association  
 American Society for Public Administrators  
 Urban Financial Services Coalition  
 Congressional Black Caucus Foundation

## **PERSONAL SKILLS**

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Public Speaking and Community Relations  
 Problem Solving and Critical Thinking  
 Banking, Finance and Community Development  
 Professional Management and Strategic Planning  
 Budgeting and Financial Management  
 Entrepreneurship and Business Management  
 Communication

## **REFERENCES**

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Available Upon Request



**Committee on Agriculture  
U.S. House of Representatives  
Information Required From Nongovernmental Witnesses**

**House rules require nongovernmental witnesses to provide their resume or biographical sketch prior to testifying. If you do not have a resume or biographical sketch available, please complete this form.**

- 1. Name:** Al G. Gourrier
- 2. Organization you represent:** University of Baltimore
- 3. Please list any occupational, employment, or work-related experience you have which add to your qualification to provide testimony before the Committee**

Assistant Professor, University of Baltimore

Faculty Fellow, Schaefer Center for Public Policy

Fulbright Specialist, U.S. Department of State

- 4. Please list any special training, education, or professional experience you have which add to your qualifications to provide testimony before the Committee:**

Ph.D. in Public Affairs from the University of Nevada Las Vegas

MBA from the University of Nevada Las Vegas

19 years of Banking Experience

Former President and Founder of 1<sup>st</sup> Commerce Bank (North Las Vegas)

- 5. If you are appearing on behalf of an organization, please list the capacity in which you are representing that organization, including any offices or elected positions you hold:**

Assistant Professor, University of Baltimore

Faculty Fellow, Schaefer Center for Public Policy

**PLEASE ATTACH THIS FORM OR YOUR BIOGRAPHY TO EACH COPY OF  
TESTIMONY.**